

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2019

Docket No. ACR2019

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-2 OF CHAIRMAN'S INFORMATION REQUEST NO. 13

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 13, issued on February 11, 2020. Each question is stated verbatim and followed by the response. Timely responses to Questions 3-5 were filed yesterday, February 18, 2020.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
eric.p.koetting@usps.gov
February 19, 2020

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

1. Please provide annualized FY 2019 data for the top five root cause point impacts for First-Class Mail, disaggregated by shape/product and service standard.¹

RESPONSE:

With respect to Single-Piece First-Class (SPFC) Mail:

Top Five SPFC Root Cause Point Impacts					
	Root Cause	Shape	Service Standard	Point Impact	Rank
FY2019	Last Mile	Flat	2	6.18	1
FY2019	Unable to Assign	Flat	2	4.57	2
FY2019	First Mile	Flat	2	3.11	3
FY2019	Origin Missent	Flat	2	1.01	4
FY2019	Transit Missing Destination Primary Scans	Flat	2	0.91	5
FY2019	Last Mile	Letter/Card	2	2.62	1
FY2019	First Mile	Letter/Card	2	1.63	2
FY2019	Unable to Assign	Letter/Card	2	1.11	3
FY2019	Transit Missing Destination Primary Scans	Letter/Card	2	0.35	4
FY2019	Transit Late Secondary Scan	Letter/Card	2	0.34	5
FY2019	Last Mile	Flat	3 to 5	6.32	1
FY2019	Origin Missent	Flat	3 to 5	4.69	2
FY2019	First Mile	Flat	3 to 5	4.66	3
FY2019	Unable to Assign	Flat	3 to 5	3.99	4
FY2019	Transit Late Destination Primary Scan	Flat	3 to 5	2.98	5
FY2019	Transit Late Destination Primary Scan	Letter/Card	3 to 5	4.42	1
FY2019	Unable to Assign	Letter/Card	3 to 5	3.13	2
FY2019	Transit Missing Destination Primary Scans	Letter/Card	3 to 5	2.58	3
FY2019	Last Mile	Letter/Card	3 to 5	2.36	4
FY2019	Origin Missent	Letter/Card	3 to 5	2.31	5

¹ See Docket No. ACR2018, Annual Compliance Determination, April 12, 2019, at 171 (FY 2018 ACD); Library Reference USPS-FY19-29, December 27, 2019, Excel file "FY19 ACR FCM Q1-2-4-5 EOY.xlsx," tabs "Q1_PFCM" and "Q1_SPFC."

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

With respect to Presort First-Class Mail (PFCM):

Top Five PFCM Root Cause Point Impacts					
	Root Cause	Shape	Service Standard	Point Impact	Rank
FY2019	Last Mile	Flat	1	6.59	1
FY2019	Transit Late Secondary Scan	Flat	1	3.48	2
FY2019	Unable to Assign	Flat	1	2.53	3
FY2019	Transit Missing Outgoing Scan	Flat	1	2.42	4
FY2019	Transit Missing Destination Primary Scans	Flat	1	1.33	5
FY2019	Last Mile	Letter/Card	1	2.22	1
FY2019	Transit Late Secondary Scan	Letter/Card	1	0.76	2
FY2019	Transit Missing Outgoing Scan	Letter/Card	1	0.31	3
FY2019	Unable to Assign	Letter/Card	1	0.29	4
FY2019	DPS Delay - Non-Standard Flow	Letter/Card	1	0.17	5
FY2019	Last Mile	Flat	2	6.63	1
FY2019	Transit Missing Outgoing Scan	Flat	2	3.67	2
FY2019	Transit Late Secondary Scan	Flat	2	2.94	3
FY2019	Unable to Assign	Flat	2	2.40	4
FY2019	AADC Processing Delay - Non Standard Flow	Flat	2	0.49	5
FY2019	Last Mile	Letter/Card	2	2.28	1
FY2019	Transit Late Secondary Scan	Letter/Card	2	1.46	2
FY2019	Transit Missing Outgoing Scan	Letter/Card	2	0.77	3
FY2019	Unable to Assign	Letter/Card	2	0.47	4
FY2019	DPS Delay - Non-Standard Flow	Letter/Card	2	0.19	5
FY2019	Last Mile	Flat	3 to 5	6.01	1
FY2019	Transit Missing Outgoing Scan	Flat	3 to 5	4.16	2
FY2019	Transit Late Secondary Scan	Flat	3 to 5	3.35	3
FY2019	Unable to Assign	Flat	3 to 5	3.13	4
FY2019	Origin Missent	Flat	3 to 5	0.61	5
FY2019	Transit Late Secondary Scan	Letter/Card	3 to 5	2.47	1
FY2019	Last Mile	Letter/Card	3 to 5	1.98	2
FY2019	Transit Missing Outgoing Scan	Letter/Card	3 to 5	1.50	3
FY2019	Unable to Assign	Letter/Card	3 to 5	0.88	4
FY2019	DPS Delay - Non-Standard Flow	Letter/Card	3 to 5	0.16	5

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

2. Please refer to the Responses of the United States Postal Service to Questions 1-22 of Chairman's Information Request No. 3, January 22 [sic], 2020, question 22 and Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-15, 17-50 of Chairman's Information Request No. 1, January 11, 2019, question 50 (Docket No. ACR2018, January 11 Responses to CHIR No. 1).
- a. For First-Class Mail Presorted Letters/Postcards from FY 2018 to FY 2019, please explain why the percentage of mail entered at Full-Service Intelligent Mail barcode (IMb) prices and included in measurement decreased (and conversely why the percentage of mail processed as Full-Service IMb, but excluded from measurement increased).
 - b. For USPS Marketing Mail total, High Density and Saturation Letters, High Density and Saturation Parcels, Carrier Route, Letters, and Flats from FY 2018 to FY 2019, please explain the following:
 - i. Why the percentage of mail in measurement decreased; and
 - ii. Why the percentage of mail entered at Full-Service IMb prices and included in measurement decreased (and conversely why the percentage of mail processed as Full-Service IMb, but excluded from measurement increased).
 - c. For Outside County Periodicals from FY 2018 to FY 2019, please explain why the percentage of mail in measurement decreased.
 - d. For total Periodicals in FY 2019, please identify the following:
 - i. The percentage of mail in measurement;
 - ii. The percentage of mail entered at Full-Service IMb prices and included in measurement; and
 - iii. The percentage of mail processed as Full-Service IMb, but excluded from measurement.
 - e. For Bound Printed Matter Flats from FY 2018 to FY 2019, please explain the following:
 - i. Why the percentage of mail in measurement decreased; and
 - ii. Why the percentage of mail entered at Full-Service IMb prices and included in measurement decreased (and conversely why the percentage of mail processed as Full-Service IMb, but excluded from measurement increased).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

RESPONSE:

a.

The primary cause of this decrease of 0.25 percent in FY 2019 compared to FY 2018 (74.00 percent to 73.75 percent) was the exclusion of a large mailer due to a software issue. During FY 2018 Q4 (August 2018), the mailer identified a software issue on its end that caused inaccurate nesting relationships in its eDoc. To prevent inaccurate service measurement, the impacted volumes were excluded from measurement while the mailer worked towards remediating the software issue. After confirmation that the software issue was remediated at the beginning of FY 2019 Q2, volumes were reintroduced in service measurement.

b.

i. The primary cause of this decrease compared to FY 2018 was the exclusion of a large mailer due to software issue. During FY 2018 Q4 (August 2018), the mailer identified a software issue on its end that caused inaccurate nesting relationships in its eDoc. To prevent inaccurate service measurement, the impacted volumes were excluded from measurement while the mailer worked towards remediating the software issue. After confirmation that the software issue was remediated at the beginning of FY 2019 Q2, volumes were reintroduced in service measurement.

ii. The large mailer that had the software issue and was excluded from measurement in FY19 Q1 would account for the reduction of mail in measurement, yet all those pieces were still in the total Full-Service volume.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

c. For Outside County Periodicals, it would be speculative for the Postal Service to posit why the percentage of mail in measurement decreased from FY 2018 to FY 2019. Also, note in particular that less information is available for specific Periodicals products than is available at the Periodicals class level.

d.

- i. 54.43 percent of Periodicals were in measurement for FY 2019.
- ii. 70.92 percent of Periodicals entered at Full-Service IMb prices were in measurement for FY 2019.
- iii. 29.08 percent of Periodicals processed as Full-Service IMb were excluded from measurement for FY 2019.

e.

- i. Although the total volume of Bound Printed Matter Flats increased from FY 2018 to FY 2019, at the same time the proportion of Bound Printed Matter Flats entered as full-service IMb pieces decreased, thereby also contributing to a decline in the overall percentage of Bound Printed Matter Flats in measurement. However, it would be speculative for the Postal Service to posit why that proportion of Bound Printed Matter Flats entered as full-service IMb pieces decreased or to identify what else contributed materially to the decrease in the overall percentage of Bound Printed Matter Flats in measurement from FY 2018 to FY 2019, particularly in light of the relatively small volume of Bound Printed Matter Flats compared to other market dominant products.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- ii. As shown below, contrary to what seems to be suggested in the question, the percentage of Bound Printed Matter Flats mail entered at Full-Service IMb prices and included in measurement *increased* from FY 2018 (45.53 percent) to FY 2019 (49.37 percent).

		Total Number of Pieces in Measurement	Total Number of Full- Service IMb Pieces
Total FY 18		37,040,508	81,353,573
Total FY 19		36,129,610	73,181,147